
DEPARTMENT OF HEALTH SERVICES

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August 26, 2002

Dear Proposers:

- EXTERNAL QUALITY REVIEW ORGANIZATION REQUEST FOR PROPOSAL
01-16170 ADMINISTRATIVE BULLETIN 2

The following are the answers to the questions submitted prior to and during the EQRO pre-proposal bidders conference.

If you have any questions, please contact Nathan Greve at (916) 323-7406.

Sincerely,

Donna Martinez, Chief
Office of Medi-Cal Procurement

Department of Health Services

**Medi-Cal Managed Care
Division**

Request For Proposal

**External Quality Review
Organization Project**

Proposer's Conference Questions

&

Pre Conference Questions

of

**August 6, 2002
Sacramento California**

1	RFP Page 20	<p>RFP Page 20 K,e,3 (Also identified as K,3,D,4,e) states: Be sure your response provides adequate information to address each of the requirements of 3, a through 3, d, iv, (Pages 20 and 21) even if your response is identical to a response given elsewhere in your proposal.</p> <p>Should this be 3, a through 3, d, iv, (Pages 20 and 21)?</p>	<p>There is an error. DHS intends that the proposer answer <u>3 c through 3 f iv for each of the six (6) general categories of service</u> identified in 3 b.</p> <p>Question 3, a, is intended as a general overview of your approach to performing the requirements of the RFP.</p> <p>Question 3 b is intended to identify the six categories for which a response to questions 3,c through 3, f, iv should be provided by the proposer.</p> <p>This correction shall be included in Addendum 2 to follow.</p>
2	RFP Page 20	<p>Could you please clarify the outline section? Should a Microsoft Project document be submitted?</p>	<p>DHS assumes that the above answer clarifies the outline.</p> <p>There are no specific outline requirements for this section. The purpose of the section is to elicit information as to how the Proposer plans to execute and/or deliver all the required activities. Timelines may be prepared in Microsoft Project or any alternative format that enables the proposer to sufficiently display the required information.</p>
3	RFP Page 21 K,e,3 e and f	<p>Should “e)” and “f)” of page 21 be “g)” and “h)” respectively?</p>	<p>Yes.</p> <p>K,e,3,e) and K,e,3,f) on page 21 should be identified as K,e,3,<u>g</u>) and K,e,3<u>h</u>).</p> <p>This correction shall be included in Addendum 2 to follow.</p>

4	RFP Page 18	<p>Would it be possible to submit more than one report as a sample in either the Attachments or the Appendices?</p>	<p>It was not the intent of the Department to limit information that a proposer would provide to demonstrate their qualifications to perform the contract. It is DHS' intent to review and evaluate only a sample of the proposer's writing for presentation, style and clarity of previous work performed by the proposer. To that end, a sample of work prepared by the proposer as requested in the RFP should be provided. The sample should be clearly identified as the sample for evaluation purposes.</p> <p>Additional reports or other written materials may be attached to the bid. The materials may support or supplement other areas of the bid, however, such additional materials will not be reviewed or examined for purposes of scoring the writing sample.</p>
5	Page 23 K,g,2,a	<p>What does the Department have in mind for citing excerpts from policies/procedures?</p> <p>Would this include a summary or brief description of the policy?</p>	<p>K, g, 2, a was intended to allow the proposer to support statements or assertions made as to policies and procedures in place for the recruitment of highly qualified staff, as requested in K,g,2.</p> <p>As to whether this would include a summary, brief description or even a discussion of the policy and recruitment policies manual of the proposer is a matter of presentation for the proposer.</p>
6	Pages Attachments	<p>A request has been to allow the forms within the Attachments to be opened/unprotected so that information maybe entered directly to the forms.</p>	<p>The Department, upon request, will email an unprotected copy of those Attachments under the Department's control. The intent of providing unprotected copies is to allow the proposer greater ease in providing the information requested. In requesting unprotected documents, the proposer assumes responsibility for the integrity of the documents.</p> <p>Unfortunately, not all of the Attachments are under the control of the DHS. As a result, some documents will remain protected. We apologize for any inconvenience this may cause.</p>

7	Page 9 F	Will DHS allow four weeks to complete the proposal after the publishing the formal response to the questions about the RFP?	<p>At this time, the answer is no.</p> <p>The nature of the EQRO work requires that, if at all possible, the contract must be in place no later than January 1, 2003. DHS believes this leaves little to no time to extend the procurement process.</p> <p>In addition to mailing answers, we have posted the answers on the Office of Medi Cal Procurement website at: WWW.DHS.CA.GOV/OMCP/</p>
8	Page 10 F	Will DHS allow follow-up questions based on answers to questions filed by August 6, 2002 after the date of DHS answers?	<p>The general answer is no.</p> <p>However, if the Department was to receive a question identifying a significant error, the Department would notify the proposers through the addendum process.</p>
9	Page 42 Q,2,a	Who is on the rating committee?	DHS policy does not allow for the disclosure of members of the evaluation team.
10	Page 17 & 18 K,3,d,2	<p>Section K,3,d,2 states:</p> <p><i>The experience you report should be based on recent work (within the last three (3) years) in this area and should have occurred within the past five years.</i></p> <p>Please explain.</p>	Please remove the section “ (within the last three (3) years) ”, as corrected in Administrative Bulletin 1, Addendum 1.
11	Page 18 K,3,d,2,f	Section K,3,d,2,f requests information on managed care experience. Should experience with external quality review of managed care be addressed here?	First, the Department does not wish to grade the appropriateness of a firm’s experience or perceived experience before the submission of a proposal. Also, the Department does not wish to exclude qualified proposers based on a criteria that is so limited as to exclude qualified proposers.

			<p>The best advice DHS can offer is for your firm to determine if they believe that this experience is the best or part of the best example of medical/insurance industry consultative work they have done and report it if appropriate.</p>
12	Page 25 Section L	Where should the cost proposal be placed?	<p>This is an important error to be corrected in Addendum 2 which will follow.</p> <p>All copies of the cost proposal including the CD copy of the proposal should be in a separate sealed envelope clearly identified as the “Cost Proposal”.</p>
13	Page 34 M,a,3,e,iii	<p>The Chief Financial Officer and the Chief Executive Officer are paid as indirect labor; should we address the roles of these individuals even though by definition they do not represent direct labor?</p>	<p>This part of the Escrow document is required; as such the review of the documents is limited. The RFP section M,a,3,e,iii deals with the payment of salaries of \$100,000 or greater as a function of indirect cost.</p> <p>If the question is asking if the indirect cost of salaries paid an individual as part of the cost associated with this procurement exceeds \$100,000, yes, those people must be identified and an explanation provided here and in M,a,3,e,iv below.</p> <p>If the question is discussing the Chief Financial Officer and the Chief Executive Officer contributions or functions within the contract as it relates to key personnel, then an assessment of their role in the contract must be evaluated in relationship to the requirements of the personnel section of the RFP.</p>
14	Page 31 M,1,a	Are three days to provide the Escrow documents business or calendar days?	Business days.

15	Page 4 Section A 3,a,1	<p>When the stating timeframes is two weeks is that 14 calendar days or 10 business days?</p> <p>Does the definition of days apply to all other stated time references?</p>	<p>10 Business Days</p> <p>Generally, the time frame will be business days.</p>
16	Page 40 P,1,b	The definition of a Storage Sleeve/Jewel Box.	A CD jewel box is the standard hard plastic packaging a music CD would come packaged in from the store.
17	Page 57 S,5	<p>Will the Notice of Intent to Award be posted on the DHS web site?</p> <p>Does this trigger the five working day protest period?</p>	<p>Yes, at a minimum, the notice will be posted on the DHS website under the Contract Management Unit web page. The Department may elect to also post the notice to the OMCP web page.</p> <p>Yes.</p>
18	Attachment 4	Should three references be provided for subcontractors?	No. As the primary contractor, it is your responsibility to ensure the subcontractor's work meets the Department standards.
19	Attachments 10-5.1 & 105.2	If the Department elects to consider other ways of identifying consumer satisfaction, how will the Contractor be notified and will there be a mechanism for submitting a cost matrix?	Any substantial change in the contract or scope of work would require a change order or a contract amendment.
20	Exhibit A, Page 1 A,1,b	Will medical audits continue to be performed by the Audits and Investigations Division (A&I) of DHS?	Yes.

21	Exhibit B, Section F, page 3	Are there specific objective criteria that DHS will use to evaluate the deliverables in order to determine acceptance? Is there a checklist that DHS uses to rate the deliverable in order to ensure that all deliverables meet the goals, objectives/deliverables, functions, tasks, activities and project milestones?	DHS does not have specific criteria or a checklist that is used to evaluate deliverables. However, DHS does expect all deliverables to be prepared and/or completed in a manner that meets professional standards. Reports must be of a professional quality (i.e. without typographical and/or grammatical errors, without arithmetic or statistical errors), include a description of the measure/activity investigated, contain comprehensive analyses at the level(s) of analysis set forth in the contract, and conclusions and recommendations which are justified by the analyses and prepared in the format as mutually agreed upon by the Contractor and DHS.
22	Exhibit A Page 1	Is the bi annual survey referenced here the same as the CAHPS survey?	Yes
23	Exhibit A Page 2 A,1,a	In the last sentence, should it read, “....seven health plans under subcontract and two Department-contracted plans?	No, the sentence is correct as published. When read in conjunction with the prior sentence in Exhibit A, A,1,a, it is clear that the requirements are for the reporting of both plan level and the subcontractor level. The seven health plans are under subcontract <u>to</u> two plans (five subcontractors under one health plan, two subcontractors under the other health plan).
24	Exhibit A Page 6	Should we expect that there would be one Plan –specific QIP, two small group QIPs and one statewide collaborative QIP addressed by the evaluation? Can you provide more detail about the current QIPs and phases so that our workplan can be specific as to timing of activities for plans?	Plans may ‘mix and match’ QIPs as long as they conduct at least one plan-specific QIP, participate in at least one small-group collaborative, and participate in the statewide collaborative QIP. Based on these rules, a plan may elect to perform one plan-specific and two small-group QIPs, or perform two plan-specific and one small-group collaborative. Additional materials concerning current QIPs are available in the Data Library.

25	Exhibit A Page 6 B,1	How many Plans use HEDIS indicators in reporting QIP results; how many are planning to adopt them in the next reporting year?	Previous requirements permitted plans to use HEDIS measures for only one of four plan-specific QIPs. Future rules will allow plans to use HEDIS measures for any or all QIPs as long as one non-clinical measure is included. It is not known how many QIPs that will be based on HEDIS measures during the next reporting year.
26	Exhibit A Page 8	Should the contractor expect to use the EQRO Protocols issued by CMS as the framework for the QIP evaluation?	Plans will use the NCQA QIA form for reporting on QIPs. The proposer should include discussion of the Centers for Medicare and Medicaid Services (CMS) guidelines and/or protocols it proposed for use as the framework for the QIP evaluation, including the rationale.
27	Exhibit A Page 7-8	In section 1 it appears that the plan is responsible for the calculation of the baseline, but in section B,2,b it seems the Contractor should perform the baseline. Could you clarify?	The plan is responsible for baseline measurement of plan-specific and small-group collaborative QIPs. The Contractor is responsible for baseline measurement of the statewide collaborative QIP.
28	Exhibit A Page 9 B,2,f	How will the department expect improvement to be measured for the QIPs?	Improvement will be measured by statistical significance. However, the Contractor will be expected to make recommendations to the Department regarding additional or alternative measurements of improvement.
29	Exhibit A, Section D.2, page 13	Are the annual performance evaluations to be done on-site? Will the Contractor work with other departments other than Medi-Cal Managed Care to accomplish this?	No. The Department will facilitate any discussions with outside divisions or department that may be necessary for the Contractor to understand the findings of the various reports.
30	Exhibit A, Section D.2, page 13	With regards to the annual performance evaluations, will the Contractor work with other departments or divisions other than Medi-Cal Managed Care to create this report?	No. The Department will facilitate any discussions with outside departments or divisions that may be necessary for the Contractor to understand the findings of the various reports.

31	Exhibit A Page 14 E,1	Is it the expectation of the Department that the Contractor will be required to perform CAHPS Surveys for Adult, Children and Special Needs?	Proposers are required to bid the costs for performing CAHPS 2.0H and 2.0H Revised in two languages and five languages with the assumption that both the adult and child survey will be used with either model, regardless of the number of languages. CAHPS 2.0H Revised includes the questions concerning Children with Special Health Care Needs.
32	Exhibit A, Section E.2, page 14 E.2, page 15	Will the survey be administered as a mail only methodology or a mixed methodology? Will the survey be administered as a dual mailing (English and Spanish)? Will there be specific instruction as to how surveys are to be distributed to the three languages other than English and Spanish?	In response to all three questions raised, the Department expects the Proposer to identify a recommended methodology for administering the survey with a corresponding bid that reflects the methodology recommended.
33	Exhibit A Page 14 E,2,b	Please indicate for contract years 3 and 5 specific instruction as to how surveys would be distributed in the other languages other than English and Spanish?	The Department expects the Proposer to identify a recommended methodology with a corresponding bid that reflects the methodology recommended.
34	Exhibit A, E.1, Page 14	Will the State require that CAHPS data be submitted to NCQA? NCBD?	At this time, the Department intends for CAHPS data to continue to be submitted to NCQA and NCBD.
35	Exhibit A, E.3.a, Page 15	Will the Contractor produce 30 individual contract reports as the plan-specific consumer satisfaction survey reports?	Currently, the Contractor would prepare 22 plan-specific reports, reflecting the results of the surveys as performed and analyzed at the contract level.
36	Exhibit A Page 15 E,3,b	Will the contractor produce 1 aggregate report that compares all 30 contracts?	Yes, the aggregate report should present the findings for the 30 contracts, as well as analysis at the plan level.

37	Exhibit A Page 15 E.3,b	Has the State decided for which demographic variables the Contractor should adjust for?	The Department has made no decision on demographic variables at this time.
38	Exhibit A, E.4.b.3, Page 16	Should Number 3 have the word “Revised” omitted?	Yes, this is an error in the RFP. Please omit the term “Revised” from number 3. This correction shall be included in Addendum 2 to follow.
39	Exhibit A, Section B.2, page 9	For non-statewide collaboratives, who is responsible for facilitating this activity? Is this part of the technical assistance?	While non-statewide (small group) collaboratives are to be coordinated by the participating plans, the Department expects the Contractor to provide technical assistance in the nature of facilitation to ensure the progress of each QIP. The extent of Contractor participation may vary with the degree of plan expertise, resources, and complexity of the project.
40	Exhibit A, Section B.2.b, page 8	Should individuals who assist with grant writing be identified in the staffing plan or as part of consultative services?	Individuals who assist with the grant writing should be identified in the staffing plan.
41	Section K, g, page 17	Should this (Committee Meetings) be addressed in the Technical proposal?	Yes, pursuant to the instruction on page 21, Section K, 3, g.
42	Exhibit A, Section G, page 17	What is the frequency of scheduled conference calls over the last 24 months of the current contract?	The current contract is only a one-year contract, however over the past 24 months of EQRO contracts, DHS has conducted weekly conference calls with the current EQRO Contractor. Typically, the calls last 60 minutes during which time the discussion is focused on the status of activities and reports, issues that need resolution, and discussion of developmental activities.
43	Section K.g.1.d, page 22	Who does the Department designate as key staff persons?	Please refer to the definition of key staff in the Glossary, Exhibit I.

44	Section K, h, page 23	What does the Department have in mind for the functions of the business analyst and the physician consultant?	A business analyst may be called upon to analyze workflow processes and system functionality, as well as to identify and recommend system enhancements to improve efficiency and accuracy. The physician consultant(s) may be called upon to address clinical issues that arise in the development and/or analysis of performance measures and interventions. As the number of clinical issues under review may be multiple (e.g. diabetes management; asthma management; adolescent health), the Contractor should be prepared to provide clinical consultative services using individuals with topic-specific expertise.
45	Exhibit A, Section A.1.a, page 2	With respect to requiring health plans to report selected HEDIS performance measures for each county in which they operate for the EAS, will the plans be required to produce a “stand-alone” rate on the denominator of 411 for each county or will the plans be allowed to proportionately sample as long as they can meet a minimum sample size of 30 or more?	Each health plan will be required to produce a rate on the denominator of 411 for each county, for each measure.
46	Exhibit A, Section A.1.a, page 2	With respect to requiring health plans to report selected HEDIS performance measures for subcontractors for the EAS, will the two plans be required to produce a “stand-alone” rate on the denominator of 411 for each subcontractor or will the plans be allowed to proportionately sample as long as they can meet a minimum sample size of 30 or more?	For the two designated health plans, each will be required to produce a rate on the denominator of 411 for each subcontractor, for each measure.
47	Exhibit A, Section A.2.a, page 3	Would the Department consider receiving the locked DSTs and a Final Audit Statement on June 15 and the Final Audit Reports approximately two weeks later (June 30)?	Yes

48	Exhibit A, Section A.2.a, page 3	Will there be any exceptions to using the EQRO for HEDIS auditing?	The Department intends to require that all contracted health plans use the EQRO for HEDIS auditing and has notified the plans of this requirement which takes effect January 2003.
49	Exhibit A, Section A.2.a, page 3	Attachment 14 identifies 50 units of analysis at the county and subcontracting plan level. In the narrative, however, reference is made to 51 units of analysis. Can the Department clarify the difference?	Attachment 14 does not include the name of a health plan that is anticipated to be added in Stanislaus County. However, the addition of a two-plan model contractor to this county is expected to occur during the first year of this Contract.
50	Exhibit A, Section A.3.a.1, page 4	The Department references 22 health plan HEDIS reports. Will the Department accept a separate report for Kaiser North and South for a total of 23 plan-specific reports?	HEDIS audits and measures are to be reported by plan, at the county or county and subcontractor level. This requires each health plan to produce a rate for each county (or county and subcontractor) for each measure. The Department expects the results to be analyzed and presented at the county (or county and subcontractor) level, as well as at the contract level and plan level. Accordingly, Kaiser South and Kaiser North will each be required to produce rates for each measure; the Contractor should prepare one report with the results for each county (i.e. Sacramento and San Diego), as well as for the plan as a whole. This data will be used to make plan-to-plan comparisons within a consumer report card.
51	Exhibit A, Section B,2, b, page 8	Is it the State's expectation that a statewide collaborative will be identified, interventions and protocol for implementation will be developed, and baseline measurements completed along with an aggregate report within the first contract year which is 9 months long? Also, would it be more realistic to complete baseline analysis and then develop interventions?	Dependent upon the statewide collaborative selected for contract year one, the Contractor may or may not be required to complete all phases through baseline measurement and produce an aggregate report by September 30, 2003. However, for bidding purposes, the Proposer should assume this to be the timeframe and expected deliverables for contract year one. With respect to the development of interventions, successful performance of a QIP may require completion of the baseline analysis before interventions can be selected. The QIP process is currently undergoing Department review and is anticipated to permit greater flexibility with respect to the requirements of each phase.

			Please note that if the selected measure is a HEDIS measure, the baseline measurement may have been completed.
52	Exhibit A, Section B.2.f, page 9	How will the Department expect improvement to be measured for the QIPs?	Improvement will be measured by statistical significance. However, the Contractor will be expected to make recommendations to the Department regarding additional or alternative measurements of improvement.
53	Exhibit A, Section B.3, page 9	<p>Will quarterly QIP reports be due at the end of each quarter or a specified time period following the end of each quarter?</p> <p>Will DHS consider allowing more time than two weeks for the QIP review time based on volume?</p>	<p>Quarterly QIP reports will be due the end of the month following completion of the quarter (e.g. April 30 to cover January through March activity).</p> <p>The Department is amending the RFP delivery dates for the QIPs to include; “or such later date as specified by the Department.” The Department wishes to work with the Contractor to achieve timely deliveries which are workload appropriate.</p>
54	Exhibit A, Section E.1, page 14	Does the State expect to add any supplemental questions to either the adult or child surveys?	The Department does not anticipate adding any supplemental questions at this time, but may consider substituting or eliminating questions in future surveys.
55	Exhibit A, Section K, page 19	If the Department does not meet the ten-day timeframe for return of the draft report to the Contractor, will the final report deadline be adjusted to allow a reasonable review and turnaround time for the Contractor?	Yes, the deadline may be changed pursuant to contract language.
56	Conference Question	Will the state be interested in looking at plans other than local initiative commercial plan, county organized health system plans, or GMC plans? In other words, will the state be looking at these special projects or any other plans other than those four types?	The EQRO contract will pertain only to the Medical managed care plan models listed in Attachment 14.

57	Conference Question	<p>If the plan is already using the contractor who wins this bid to do HEDIS reporting for them, would there be a problem or an issue or would the Department consider it a conflict of interest if they win the bid and they're also reporting on an individual basis for that plan?</p>	<p>In regard to questions of conflict of interest, the position of the Department is as follows:</p> <p>The winning vendor can have no contract for any purpose, during the entire term of this contract, with a plan which it is required to audit pursuant to this RFP.</p> <p>In addition, if the winning vendor has had a previous contractual relationship with any plan it is required to audit pursuant to this RFP, the Contractor is precluded from doing any further work in regard to this prior contract, including providing support or assistance to respond to subsequent audits or examinations related to the prior contract, without Department approval.</p> <p>DHS approval will only be given upon a showing by the Contractor that any such subsequent work can be done in a manner which does not involve a conflict of interest with its responsibilities under this contract.</p>
58	Conference Question	<p>If a contractor has done other consulting work for a plan, not specific to HEDIS, but other types of work is there a possibility that there is a conflict of interest or would the Department deem it a conflict of interest?</p> <p>Is there a year...a two or a three-year period involved here?</p>	<p>In regard to questions of conflict of interest, the position of the Department is as follows:</p> <p>The winning vendor can have no contract for any purpose, during the entire term of this contract, with a plan which it is required to audit pursuant to this RFP.</p> <p>In addition, if the winning vendor has had a previous contractual relationship with any plan it is required to audit pursuant to this RFP, the Contractor is precluded from doing any further work in regard to this prior contract, including providing support or assistance to respond to subsequent audits or examinations related to the prior contract, without Department approval.</p> <p>DHS approval will only be given upon a showing by the Contractor that any such subsequent work can be done in a manner which does not involve a conflict of interest with its responsibilities under this contract.</p>

59	Conference Question	Will the successful bidder have access to Encounter Data provided by the plans.	To the extent that it's required to perform the tasks of this contract, encounter data, and/or encounter data reports, will be provided to the Contractor.
60	Conference Question	Do you want the matrix on the on CD copy provided?	Yes
61	Conference Question	The RFP wants the HEDIS measure reported by county. Therefore, what sample guides do you require and do you allow proportional sampling?	The Cost Proposals should reflect two options: (1) performing HEDIS at the county level or (2) performing HEDIS at the county and subcontractor level. Proportional sampling would not be allowed. HEDIS is currently performed at the contract level (30 analyses); however, this is not a pricing option.
62	Conference Question	For the quality assurance, does the State adhere to specific standards for those evaluating plans, for example, nationally recognized standards?	Upon review of the conference tape, DHS was unable to clearly understand the nature of this question. DHS offers no official answer to question to due to this misunderstanding.
63	Conference Question	Is DHS willing to reimburse for the cost of using those tools in order to support the contract separately from the bid price?	All costs associated with the performance of the CAHPS survey and production of the resulting reports must be reflected in the bid price.
65	Conference Question	If the Department decides to use the CAHPS measurement, how much lead time would the Department provide in letting folks know what the measurement we are going to be using because it will take some time to make that adjustment.	As part of the Department's cost/benefit analysis, MMCD will review the various survey methodologies and associated costs presented by the Proposers. The decision as to whether CAHPS will be used, and which survey tool will be used, is expected to be made by the date the EQRO contract is awarded.